

CITY OF BELLEVUE  
CITY COUNCIL

Summary Minutes of Special Meeting

April 29, 2002  
6:00 p.m.

Council Conference Room  
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Degginger, Councilmembers Creighton, Davidson, and Noble

ABSENT: Councilmembers Lee and Mosher

1. Executive Session

Mayor Marshall opened the meeting at 6:01 p.m. and announced recess to executive session for 45 to 60 minutes to discuss one item of property acquisition and one personnel matter.

The study session resumed at 7:05 p.m. with Mayor Marshall presiding.

2. Oral Communications

- (a) Patty Thompson, Bellevue Botanical Garden Society, invited Council and the public to the Botanical Garden's 10<sup>th</sup> anniversary celebration on June 29. The Botanical Garden encompasses seven acres and welcomes more than 200,000 visitors annually. Ms. Thompson noted the importance of the visitors center in the master plan. She looks forward to future expansion of the gardens.
- (b) Barb Williams, Bellevue Botanical Garden, described the Living Lab program which originated in 1993 under the leadership of Patricia Burgess in the City's Utilities Department. The Living Lab is a free program serving Bellevue School District elementary students. The program has grown from serving 611 students in 25 days in 2000 to providing 38 days of programming this year. The Living Lab will have served 500 students already this year by the end of the current spring session. Ms. Williams noted the need for expanded facilities including a classroom and accommodations for a summer day camp program.
- (c) Kristen Ross expressed concern regarding what she feels is a flawed environmental study and inaccurate wetlands delineation for the proposed Lewis Creek Park. She lives downhill from the park site and said she has been inundated with park water diverted by the City onto her property. Ms. Ross said she wrote a letter to the Parks Director in May 2001 asking what the City was doing to correct the flawed environmental study. She noted that an attorney assisted her in redirecting some of the water back to Parks property. Ms. Ross said Patrick Foran responded to her letter but did not address her

concerns about the environmental study or conditions on the park site. She wrote him again on June 3, 2001, and did not receive a reply. Ms. Ross said she met with City Manager Steve Sarkozy in July 2001 but that nothing has been done since that meeting. She said there are extensive wetlands on this City parcel. Ms. Ross expressed concern about the City's disregard for her property rights. She asked the City to allow adequate time, five years or more, to determine whether the north area of the proposed Lewis Creek Park has any developable land. Ms. Ross requested a written reply from City Council on this issue.

Mayor Marshall noted that related litigation is being handled by the City Attorney and therefore Councilmembers cannot comment.

- (d) Patrick Rogers, a Bellevue business owner, said he previously contacted the City about displaying a Grand Opening sign and was told he could use this type of signage at any time, but one time only. He contacted the City this month to apply for the sign permit and was told that the law changed at the end of March and he could not display a Grand Opening sign now, since his business has been operating for two years. Mr. Rogers said the law uses the term "new enterprise" but does not define the term. He said he was told by Jim Gough, Code Compliance, that one-time use of a Grand Opening sign was formerly allowed regardless of how long a business had been operating. Mr. Rogers questioned the City's definition of "new enterprise."

Mayor Marshall told Mr. Rogers that the City Manager or Director of Planning and Community Development will respond to his inquiry.

- (e) Stacy Anderson, a resident of the Surrey Downs neighborhood, said she is one of five people who gathered signatures for the petition showing strong support from residents for a park/open space. A map prepared by the Downtown Implementation Plan Urban Design Task Force was presented on April 9 displaying green space along Main Street from 108<sup>th</sup> Avenue to 112<sup>th</sup> Avenue. Ms. Anderson said residents are pleased with this identification of open space and look forward to working with the City to design a park. She asked Council to include development of this park in a parks bond measure.
- (f) Sheryl Stillwell said she received a letter dated April 26 from Mary Kate Berens, Legal Planner, regarding the height of the existing cell tower at the Killarney Glen Substation. She questioned whether this letter and Ms. Berens' April 17 letter represent City Council's position on the matter. If not, Ms. Stillwell would like an official reply from Council.

City Manager Steve Sarkozy recalled for the audience that this issue has been brought before Council on two previous occasions. He acknowledged that a piece of inaccurate information was presented during one of the previous discussions.

Planning and Community Development Director Matt Terry said the matter was recently the subject of an appeal before one of the City's Hearing Examiners and the appeal was denied. Mr. Terry explained that a communication by Ms. Berens incorrectly identified the existing cell

tower's height as 53 feet. The existing tower is actually 35 feet and the replacement tower will be 53 feet. However, the staff report to the Hearing Examiner and the Hearing Examiner's decision document both reference the correct heights of the two towers. Mr. Terry said the Hearing Examiner's decision is final and there is no legal mechanism for City Council to override the decision.

Mayor Marshall confirmed that City Council has no legal authority to change Process II land use decisions by a Hearing Examiner. Mr. Terry noted that Council will discuss siting criteria and policies for wireless facilities on May 6. He invited public comments at that time.

### 3. Study Session

#### (a) Council New Initiatives

Mayor Marshall said she has received three emails about Lakemont Chevron, which is preparing to open for business. Residents are concerned whether an arbitration plan for the site is being followed. Mr. Terry said staff is actively working to address neighborhood concerns.

#### (b) Budget – Revenues and Reserves

Gary Ameling, Interim Finance Director, noted updated materials for the budget binders and proposed revisions to the budget schedule. He thanked Mike Sigsbee, Budget Manager, and Jonathan Swift, Economic and Revenue Analyst, for putting together tonight's presentation on revenue and debt policies.

Mr. Ameling posed the first question for Council – Are the goals of the City's revenue policy appropriate? The revenue policy goals are part of the City's Comprehensive Financial Management Policy document and focus on stability, return on investment, and economic vitality. Stability refers to whether the mix of revenues is appropriately diversified, able to handle economic shifts, and equitable. Mr. Ameling said the current mix of revenues is designed to allow the City to benefit from economic and community development investments and to relieve the need for property tax increases.

Reviewing the revenue mix, Mr. Ameling said the General Fund is primarily supported by sales tax, utility taxes, business and occupation taxes, and property taxes. Capital Investment Program (CIP) resources include sales tax, B&O taxes, and the real estate excise tax.

Mr. Ameling turned to the issue of equity and fairness. A progressive tax is typically one in which the tax rate increases as the base increases, such as an income tax. A regressive tax is one in which the tax rate decreases as the base increases. Utility taxes are an example of a regressive tax because a family with a higher income generally pays a lower percentage of its income toward utility taxes than a family with a lower income. Mr. Ameling described the three-legged stool concept, in which the City strives to maintain a mix of revenues that equitably share tax costs among residents, the business community, and the development community. Bellevue participates in state programs for property tax relief and deferral, as well as its own City programs for utility rate relief and utility tax rebates.

Mr. Ameling moved on to the second major policy issue – Are the rates established for each of the major taxes appropriate? Bellevue's property tax limit, established by state law, is \$3.10 per \$1,000 assessed valuation. The average rate for 26 Washington cities was \$2.65 in 2000. Bellevue's property tax rate in 2000 was \$1.50 per \$1,000 assessed valuation, the second lowest of the 26 cities. Mr. Ameling noted the rate is somewhat skewed by Bellevue's relatively high assessed values. State law allows cities and towns to levy 1 percent sales tax on all taxable transactions. Of the 26 largest cities, only Vancouver is not at the maximum tax rate due to its proximity to Oregon, which has no sales tax.

The third largest tax is the business and occupation tax. State law establishes a limit of .20 percent. Bellevue's rate of .15 percent is about average for cities with a B&O tax. Seattle and Tacoma have higher rates. Mr. Ameling noted that Council policy has reserved one-tenth of one percent of the City's B&O tax capacity for backup financing for Meydenbauer Center.

Utility taxes, the fourth largest revenue source, reflect that Bellevue's rates are below the state average for natural gas, electric, water, sewer, and storm/drainage utilities. Bellevue's tax rate for telephone service is 6 percent, compared to the state average of 5.75 percent. Mr. Ameling noted that tax rates for water, sewer, and storm/drainage utilities are unrestricted by state law.

Mr. Ameling presented the third overall policy issue – Is the allocation of major taxes appropriate? The regular levy property tax is an unrestricted tax source that helps provide financing for general government services of the City. The General Fund receives the majority of property taxes, \$22.7 million out of an overall levy of approximately \$25 million. By Council policy and formula, the Human Services Fund receives \$1.6 million. Approximately \$550,000 is allocated to the Facilities Fund for debt service on Leavitt Building bonds issued in 1992.

Sales taxes are allocated 50 percent to the General Fund and 50 percent to the General CIP. Mr. Ameling noted that a portion of the CIP allocations are transferred back to the General Fund to support maintenance and operating costs on completed CIP projects. Similarly, a portion of CIP funds are reallocated to the City's housing program.

Mr. Ameling reviewed the allocation of B&O taxes. Approximately 74 percent is allocated to the General Fund, 20 percent to the General CIP Fund, and 6 percent to the General CIP – Transportation projects only. The allocation of real estate excise taxes is restricted by state law to be dedicated to capital projects. Bellevue splits these revenues between Parks and Transportation programs. Utility taxes represent an unrestricted revenue source and revenues are dedicated to the General Fund.

Mayor Marshall noted that 15 percent of sales tax revenues produced by the City's 1 percent rate is allocated to King County. This represents approximately \$6 million paid annually to the King County. Mrs. Marshall asked staff to track taxes paid by Bellevue residents that are ultimately transferred to King County. She feels this is an important issue, particularly as King County is seeking to divest itself from providing a variety of services including municipal courts and county parks.

Mr. Sigsbee referred Council to Tab 7 of the budget binders for a discussion of the City's reserve policies. The basic policy question is – Where does Bellevue want to be on the risk aversion continuum? The adequacy of reserve levels is basically a function of comfort with the City's financial management practices and policy decisions. Reserve policies are based on legal compliance, future obligations, capital acquisitions, and contingency planning. Looking at the 2001-2002 budget of \$750.8 million, reserves represent 16 percent and operations represent 84 percent of the budget. Total reserves of \$121.1 million are allocated as follows:

- Capital investment and asset replacement - \$44.6 million, 36.8 percent of all reserves
- Pensions and self insurance - \$36.6 million, 30.2 percent of all reserves
- Operating reserves - \$33.4 million, 27.6 percent of all reserves
- Debt service - \$6.5 million, 5.4 percent of all reserves

Mr. Sigsbee discussed Bellevue's bond rating, which is affected by reserve levels, in comparison to similar-sized cities. He noted that Bellevue tends to create separate reserves for specific purposes, while some cities designate a single reserve source to respond to several types of contingencies or situations. Bellevue's reserves represent 32 percent of its operating budget, while reserves for comparable cities ranged from 11 percent to 29 percent of the operating budgets. Higher bond ratings tend to correlate with higher reserve levels for the group of cities.

Mr. Sigsbee noted the "Council Reserve" in the 2001-2002 budget of \$12.9 million (by December 31, 2002). He explained that this is not by definition a reserve, but rather the funds are budgeted to a project within the Operating Grants and Donations Fund to be used or saved according to Council direction. The current balance is \$11 million.

Responding to Deputy Mayor Degginger, Mr. Ameling said reserve levels associated with the City's self-insurance program are mandated by state law.

In response to Mr. Noble, Mr. Ameling said staff is not recommending any changes in reserve policies at this time. Noting the correlation between bond ratings and reserve levels, Mr. Sigsbee feels Bellevue's reserve policies have served the City well.

Responding to Mr. Creighton, Mr. Ameling confirmed that funds in the Development Services Reserve are decreasing somewhat due to the slowed economy.

Deputy Mayor Degginger questioned the ongoing need for and utilization of some of the smaller operating reserves. Mr. Ameling said these reserves primarily serve cash flow needs. Mr. Degginger questioned whether this is a proper use of reserves, particularly when there are mechanisms for interfund borrowing. Mr. Ameling explained that one purpose of reserves is to provide funds for budget obligations. For example, obligations from the Human Services Fund typically carry forward at year end. Mr. Ameling said staff will analyze this issue further in the ongoing budget process.

Turning to utilities financial policies, Utilities Director Lloyd Warren referred Council to Tab 7, page 11, of the budget binders. He said the Environmental Services Commission reviews utilities policies on an ongoing basis.

Nav Otal, Utilities Assistant Director for Business Administration, described the City's utility funds model. Unlike the General Fund, Utilities funds do not have a diverse revenue base. Connection charges and capital recovery charges are a minor source of revenue for the capital program. The main source of revenue (95 percent) for both the operating and capital programs is rate revenue. On the expenditure side, Ms. Otal said half of the Utilities budget is largely beyond the City's control including regional/wholesale costs and taxes. For the other half of the budget, 31 percent represents operations expenses and 18 percent is infrastructure/capital costs.

In terms of utilities fiscal policies, Ms. Otal said the City conducted a cost containment study and reserve analysis in 1995, which resulted in the adoption of operational and capital policies by City Council. Key operational policies include maintaining current service levels and gradual and uniform rate increases. However, wholesale costs are passed on to customers. Any budget savings becomes part of the planned funding for long-term repair and replacement costs.

Ms. Otal said utilities reserves are intended to fluctuate. Total operating reserves are \$6 million, which represents 8.9 percent of the operating budget. Asset replacement reserves total \$1.5 million and provide for the replacement of operating equipment such as vehicles. Key capital policies focus on maintaining gradual and uniform rate increases and high credit ratings and preserving financial flexibility. An overall principle is that current and future customers pay their fair share.

Ms. Otal discussed a graph of capital investment in current dollars for the water utility through 2070. At the current level of capital investment, the City would experience a serious shortfall after 2020. Mr. Warren noted that the shortfall is due to projected repair and replacement needs beginning in 2020. Ms. Otal said the capital replacement account established in 1995 ensures funding will be available for the replacement of utilities infrastructure. This account is funded through rate revenues, interest earnings, capital recovery and connection charges, savings from operating and CIP funds, and one-time revenues.

A key issue in repair and replacement planning is – Are current and future customers paying their fair share? Ms. Otal said the City's utilities policies provide sound stewardship through proactive planning and the maintenance of assets. The policies ensure that no single generation is burdened with replacing existing infrastructure. Ms. Otal reviewed a graph comparing an average monthly utility bill through 2023 under the City's current model with repair and replacement reserves to a model incorporating debt financing. Over the next 20 years, the use of debt financing would lower the average monthly bill by approximately 50 cents per month. However, beyond the 20-year horizon the average monthly bill would begin to increase significantly with the use of debt financing, while the current strategy using reserves maintains rate stability.

Ms. Otal discussed the approaches used by other jurisdictions. Redmond and Lakewood fund depreciation through rate revenues. Seattle and King County follow a pay-as-you-go approach and issue debt when needed. Mr. Warren said most utilities avoid the issue altogether and expect the federal government to help them out should a problem arise. Congress is currently considering federal legislation that would require utilities to fund depreciation.

Ms. Otal said the City's reserves for its water and sewer utilities are on track to fund expected infrastructure needs. However, less is known about the condition of the City's storm and surface water infrastructure whose useful life will likely be shorter than the water and sewer infrastructure. Current CIP and debt service needs are high. The storm and surface water infrastructure is also more likely to be negatively affected by Endangered Species Act and habitat restoration regulations. Ms. Otal said it will be a challenge to meet future repair and replacement needs for storm and surface water facilities.

Ms. Otal reviewed current balances in the utilities repair and replacement accounts:

Water Fund	\$4.4 million
Sewer Fund	\$6.5 million
Storm and Surface Water Fund	\$0.4 million.

She summarized the rates are a function of utilities fiscal policies. She noted that the City's rates are comparable to its neighboring jurisdictions.

Jim Bloomfield, Environmental Services Commission Chair, said the Commission supports the City's current utilities policies.

Responding to Mr. Creighton, Mr. Warren said the City's original utilities infrastructure was financed by contributed capital through development, the establishment of utility local improvement districts (ULIDs), and to a lesser extent, rate adjustments.

Responding to Dr. Davidson, Mr. Warren said the utilities model for funding reserves is updated as repair and replacement projects are completed. Dr. Davidson discussed his concerns regarding increasing utility rates.

Mayor Marshall said she is comfortable with the City's current utilities finance policies. Mr. Creighton understands citizens' concerns about increasing utility rates. However, he supports existing policies and reserve levels. Mr. Noble concurred.

In response to Mr. Degginger, Ms. Otal said staff will provide a comparison of Bellevue's rate structure to other jurisdictions.

At 9:08 p.m., Mayor Marshall declared a break. The meeting resumed at 9:15 p.m.

(c) Parks and Open Space Bond Issue

(1) Interrelationship of Capital Projects and Funding Options

Mr. Ameling opened a discussion of the interrelationship of capital projects and funding options. The purpose of the discussion is to: 1) review funding options and financial capacity, 2) enhance understanding of competing priorities, and 3) identify Council questions and issues.

Mr. Ameling reviewed the following guiding principles:

### General Financial Planning Principles

- Preserve existing programs and infrastructure.
- Use existing resources before increasing taxes.
- Use one-time revenues for one-time purposes.
- Preserve financial capacity for future needs.
- Protect and maintain the City's bond rating.

### Project Planning Principles

- Provide for a periodic public vote.
- Dedicate one-time revenues.
- Pursue non-tax funding alternatives.
- Stay within historic tax levels.
- Establish a backup financing plan.

Mr. Ameling said Bellevue has historically practiced sound financial stewardship and minimized household taxes. The last voted bond issue occurred in 1988, and there has been no property tax increase for seven of the past eight years. During the 1990s, the average Bellevue household contributed .11 percent toward debt servicing of the 1988 voted levy. The debt is now declining rapidly and will be paid off in 2009.

Mr. Ameling said the last update of the financial forecast indicated resources and expenditures are growing at approximately the same rate. Capital Investment Program resource assumptions have not yet been updated but preliminary projections indicate available resources of approximately \$60 million for the period of 2003 to 2009. Ongoing projects are expected to consume approximately half of these funds, leaving \$30 million to fund new capital investments.

Mr. Ameling reviewed the 2001-2007 CIP Plan for non-utility functional areas. This plan allocates 64 percent to transportation, 20 percent to parks, 6 percent to general government, 4 percent to community and economic development, 3 percent to public safety, and 3 percent to the Neighborhood Enhancement Program.

Mr. Ameling introduced the following five modeled projects for tonight's discussion:

- Public Safety Facility
- Voted Parks and Open Space Bond Issue
- Enterprise Resource Planning System (ERP)
- City-School District Partnership
- Neighborhood Investment Program (NIP).

The public safety project assumes a proposed facility on the current City Hall campus. Total costs are estimated at \$90 million which includes significant costs for underground parking facilities. Annual maintenance and operations costs are estimated at \$1.6 million. Funding sources include the CIP and property tax increases.



Mayor Marshall noted for the audience that the presentation contains information compiled by staff, but it should not be interpreted to reflect any decisions made by Council.

Continuing, Mr. Ameling confirmed that the information is preliminary and conceptual at this point. He said the so-called Council Reserve fund with a current balance of \$11 million could be used toward the completion of any one of the projects to be discussed. The household impact of the public safety proposal is approximately \$35 per year for capital costs and \$28 per year for maintenance and operations costs.

Moving to the parks bond modeled project, Mr. Ameling recalled Council's recent discussions about the potential for a parks and open space voter initiative. Staff modeled a \$60 million bond with annual maintenance and operations costs of \$600,000. The initiative would be funded through a voted property tax. The household impact is estimated at \$66 per year for 20 years to cover capital costs and \$11 per year to cover maintenance and operations costs.

The third modeled project is the Enterprise Resource Planning System, a backbone financial and human resources management system. The City's current mainframe-based financial system was designed in the 1980s and is in need of replacement. The total cost of a new system is estimated at \$10 to 20 million, with annual maintenance and operations costs of \$1.5 million. Funding sources include the CIP Plan, Enterprise Funds, and property taxes. Household impact is estimated at \$24 per year for maintenance and operations costs.

Mr. Ameling described the fourth modeled project, the City's partnership with the Bellevue School District. This would potentially provide maintenance and operations assistance to the District for after-hours use of school facilities and/or to enhance school facilities and sports fields. The project is conceptual at this time. An annual City contribution of \$250,000 per year would result in a household impact of approximately \$5 per year. This item could be incorporated into a potential parks and open space bond issue.

Mr. Ameling said the Neighborhood Investment Program was initiated over the past year in the West Lake Hills neighborhood. This effort identified projects already programmed into the current CIP Plan as well as projects not yet programmed and budgeted. Mr. Ameling suggested that Council might want to consider allocating \$5 million in the next CIP Plan toward this program.

The five projects reviewed by Mr. Ameling represent capital costs of \$170 million and annual maintenance and operations costs of \$4 million. Total household impact for all projects is approximately \$169 per year, or \$14 per month. Mr. Ameling said the average Bellevue household currently contributes \$533 per year in property taxes received by the City. He recalled that Bellevue property tax contributions during the 1990s averaged approximately .77 percent of household income. If the City were to undertake all five of the projects described by Mr. Ameling, average contributions would peak at about .68 percent of household income in 2005/2006 and decrease steadily into the future.

City Manager Steve Sarkozy reiterated that Council has not made any commitment to any of these projects. The purpose of the presentation is to demonstrate rough estimates of various community investment scenarios and their impact on taxpayers.

(2) Continued Discussion of the Potential Content of a Voter Initiative

Parks and Community Services Director Patrick Foran recalled prior Council discussions regarding a potential parks and open space bond issue. Staff will request direction on May 6 regarding Council's desire to proceed with the development of a voter initiative.

Mr. Foran referred to the April 25 memo to Council responding to questions raised at the April 22 Study Session. Mayor Marshall suggested discussing the issue of determining the ideal split between acquisition and development project funding within a bond measure.

Mayor Marshall recalled a previous discussion in which the majority of Councilmembers had expressed a desire to weight acquisition projects slightly more heavily than development projects. Mrs. Marshall said her review identified approximately \$50 million in acquisition projects dispersed throughout the community. She suggested that perhaps some development projects, such as neighborhood parks, could be absorbed within the CIP Plan.

Mrs. Marshall is in favor of the proposal totaling \$2 million for sports field improvements and the sports complex. She supports the completion of Bellevue Botanical Garden (\$3 million), Crossroads Park (\$2 million), Enatai Beach Park (\$2 million), and Downtown Park (\$2 million). While in favor of the development of additional community center facilities, Mrs. Marshall suggested deferring those items to a future bond issue. Similarly, she suggests postponing waterfront development to occur after the City has completed desired acquisitions. Under Mayor Marshall's proposal, \$50 million would be spent on acquisitions and \$22.5 million would go toward park development, for a total of \$72.5 million.

➡ At 9:55 p.m., Deputy Mayor Degginger moved to extend the meeting to 11:00 p.m., and Mr. Creighton seconded the motion.

➡ The motion to extend the meeting to 11:00 p.m. carried by a vote of 5-0.

Deputy Mayor Degginger said he favors a heavier emphasis on acquisition in order to take advantage of opportunities that may not exist if the City waits. He is concerned about the extent to which new development projects can be supported by existing City staff. He supports the proposal for a sports field complex, completion of Bellevue Botanical Garden, and the completion of Crossroads Park. He would like to see an expansion of boat launch and related parking facilities along Lake Washington.

Mayor Marshall noted that her list of recommended projects includes the development of a downtown mini park and trail/greenway connections.

Mr. Noble agreed with Mayor Marshall's recommendation for approximately \$50 million toward acquisition projects. Mr. Noble is in favor of funding neighborhood parks and a downtown mini

park. His list eliminates trail and greenway connections and the suggested renovation projects. He favors the item to spend \$9 million for a sports field complex, but suggested a smaller allocation toward sports field improvements. In his review, Mr. Noble said he decided against supporting the completion of Bellevue Botanical Garden but acknowledged that he has mixed feelings about the project. He favors the completion of Crossroads Park and Enatai Park, but is not in favor of spending the suggested \$10 million on Downtown Park. He would prefer to distribute the proposed Downtown Park funds throughout the community.

Mr. Noble does not support the development of new community centers at this time. He suggested funding the Mercer Slough project through the CIP Plan. He supports a lower level of funding for the development of Meydenbauer Bay. Mr. Noble said his list totals approximately \$80 million, with \$50 million to be spent on acquisitions and \$30 million on development projects.

Mayor Marshall asked Mr. Foran to provide Council with a map designating Meydenbauer Bay properties owned by the City.

Dr. Davidson envisions a bond measure of approximately \$60 million, with \$35 million to be spent on acquisition projects. He would eliminate the proposed community facilities first. He supports completion of Bellevue Botanical Garden and continued development of Downtown Park. He supports spending on neighborhood parks. Dr. Davidson said he has not yet designed his ideal bond package. Right now, he is focusing more on dollars than specific projects.

Mr. Creighton discussed the feasibility of a bond issue within the context of the upcoming statewide transportation bond measure and the potential of voter initiatives to support King County services. While he hoped for a bond measure in the \$60 million range, his recommended projects total approximately \$80 million, \$45 million of which is dedicated to acquisition projects. Mr. Creighton's ideal package includes: \$3 million for neighborhood parks, \$1.5 million for a downtown mini park, \$6 million for a sports field complex, \$3 million toward completion of Bellevue Botanical Garden, \$2 million for Crossroads Park, \$2 million toward phased completion of Downtown Park, \$2 million for expansion of North Bellevue Community/Senior Center, full funding for the proposed community facilities, and development of Mercer Slough trailhead and SE 40<sup>th</sup> Street boat launch parking.

Responding to Mr. Creighton, Mr. Foran said the South Bellevue Community Center is already budgeted in the CIP Plan. Mr. Creighton said he would be willing to reduce funding for new community facilities as long as a center is funded for South Bellevue. He recommends postponing the development of Meydenbauer Bay.

Deputy Mayor Degginger noted majority agreement to not fund renovation projects and community facilities in an upcoming bond measure. Mayor Marshall noted that Councilmembers appear to support a bond issue in the range of \$60 to 80 million. She asked staff to compile a list of items supported by consensus, and noted that two Councilmembers are absent this evening.

Mr. Creighton expressed concern about the lack of funding for Downtown Implementation Plan items with the exception of the proposed downtown mini park. Mr. Foran noted that staff's original list included projects identified through past processes. Therefore, items identified in the current DIP update process are not included. Mayor Marshall said the DIP Update Report is scheduled for completion in September.

- (d) Preparation for April 30 joint meeting with Redmond City Council regarding BROTS (Bellevue Redmond Overlake Transportation Study) Reconciliation

Mr. Sarkozy said Council will meet with the Redmond City Council on April 30 for the annual reconciliation of BROTS (Bellevue Redmond Overlake Transportation Study) Agreement projects.

Kris Liljeblad, Transportation Assistant Director, said the purpose of the reconciliation update is to monitor changes affected by the agreement such as land use, transportation projects contained in the agreement, and financial commitments to implement projects. Both cities have made good progress on projects contained within the BROTS agreement. All BROTS projects have been incorporated into the Transportation Facilities Plan of one or both cities.

Mr. Liljeblad said level of service (LOS) projections have improved somewhat. He said this may be due in part to the slowed economy. Redmond's Grasslawn neighborhood continues to not be in compliance with its LOS standards. There was essentially no change in square footage within the BROTS area, leaving approximately 800,000 square feet of development potential in Bellevue and 250,000 square feet of development potential in Redmond. Progress has been made in the area of transportation demand management (TDM) with more employees choosing non-SOV (single occupancy vehicle) alternatives.

Mr. Liljeblad said the North-South Corridor Study was initiated this year. Public meetings have been held to assist in identifying issues and to begin the process of evaluating alternatives.

Responding to Mr. Noble, Mr. Liljeblad acknowledged that the LOS methodologies of Bellevue and Redmond differ, even when both measure using a one-hour peak period. Mr. Liljeblad said the Eastside Concurrency Study currently underway will provide a better understanding of differing methodologies and the potential value of applying a consistent approach.

In response to Mr. Noble, Mr. Liljeblad said design of the project at NE 40<sup>th</sup> Street and 148<sup>th</sup> Avenue NE is 99 percent complete. Mr. Liljeblad noted that staff from both cities will make presentations at the April 30<sup>th</sup> meeting.

Mayor Marshall declared the meeting adjourned at 10:37 p.m.

Myrna L. Basich  
City Clerk

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